

## SENATE BILL NO. 3

INTRODUCED BY K. HANSEN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE DEPARTMENT OF JUSTICE TO CONDUCT RANDOM SAMPLINGS BY MAIL TO VERIFY WHETHER MOTOR VEHICLE OWNERS HAVE THE REQUIRED MOTOR VEHICLE LIABILITY INSURANCE; AND PROVIDING FOR THE SUSPENSION AND REINSTATEMENT OF MOTOR VEHICLE REGISTRATIONS IN CASES IN WHICH MOTOR VEHICLE OWNERS DO NOT HAVE OR DO NOT PROVIDE ADEQUATE PROOF OF HAVING THE REQUIRED MOTOR VEHICLE LIABILITY INSURANCE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION.** **Section 1. Random sampling for verification of liability insurance.** (1) The department may select random samples of registrations of motor vehicles or random samples of owners of motor vehicles subject to the mandatory liability insurance provisions of Title 61, chapter 6, part 3, for the purpose of verifying that the motor vehicles are insured.

(2) In addition to the random samples provided for in subsection (1), the department may select for random sampling the registrations of motor vehicles owned by persons:

(a) whose motor vehicle registrations during the previous 5 years have been suspended pursuant to [sections 1 through 3];

(b) who have during the previous 5 years been convicted of a violation of 61-3-301 or 61-3-302; or

(c) whose driving privileges have been suspended during the preceding 5 years.

(3) In order to verify the existence of motor vehicle liability insurance, the department may send to the owner of a motor vehicle a request by regular mail for information about the motor vehicle and liability insurance coverage. In response to the request, the motor vehicle owner shall state, on a form provided by the department, whether or not the motor vehicle was insured on the verification date set out in the request. In the request, the department may also require the motor vehicle owner to provide the name and address of the insurer, policy number, and expiration date of insurance coverage.

(4) A motor vehicle owner who receives a request provided for in subsection (3) shall respond within 30 days of the date on which the request was mailed. The department may consider information provided by

1 the motor vehicle owner indicating that the motor vehicle was covered on the verification date as a satisfactory  
2 response to the information request or the department may contact the insurer listed on the owner's response  
3 for affirmation that the motor vehicle was covered on the verification date. The insurer shall respond to the  
4 department within 45 days of the date on which the department mails the request for information to the insurer.

5 (5) If a motor vehicle owner does not respond to the department's request within the 30-day period or  
6 if the motor vehicle owner's response indicates that the motor vehicle was not insured on the verification date,  
7 the motor vehicle owner must be considered to have registered or maintained the registration of a motor vehicle  
8 in violation of the mandatory liability insurance requirements.

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10 **NEW SECTION. Section 2. Uninsured motor vehicles -- notice -- suspension -- reinstatement.**

11 (1) If, pursuant to the provisions of [section 1], the department determines that a motor vehicle owner has  
12 registered or maintained the registration of a motor vehicle without the required liability insurance, the  
13 department shall notify the motor vehicle owner by registered mail that the motor vehicle's registration will be  
14 suspended 45 days after the mailing of the notice unless the motor vehicle owner within 30 days of the mailing  
15 of the notice provides proof of insurance in effect as of a date prescribed by the department.

16 (2) If a motor vehicle owner fails to provide the proof of insurance required in subsection (1), the  
17 department shall suspend the motor vehicle's registration as provided in subsections (3) and (4). The  
18 suspension must take effect even if the motor vehicle owner acquires the required liability insurance subsequent  
19 to the date prescribed by the department under subsection (1).

20 (3) In the case of a first violation, the suspension remains in effect until payment of a \$100 reinstatement  
21 fee and submission of proof of insurance by the motor vehicle owner.

22 (4) In the case of a second or subsequent violation within the preceding 5 years by a person having an  
23 ownership interest in a motor vehicle for which the registration has been suspended pursuant to the provisions  
24 of [sections 1 through 3], the department shall terminate the suspension 4 months after the date of suspension  
25 upon payment of a \$100 reinstatement fee and submission of proof of insurance by the motor vehicle owner.

26 (5) A violation based upon the provisions of [sections 1 through 3] does not subject the person  
27 committing the violation to the penalty provisions of 61-6-304.

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29 **NEW SECTION. Section 3. Submission of false proof.** If the department determines that a motor  
30 vehicle owner has submitted proof of insurance that is false, the department shall suspend the registration of

1 the motor vehicle. The department shall terminate the suspension 6 months after the effective date of the  
2 suspension upon payment of a \$200 reinstatement fee and submission of proof of insurance by the motor  
3 vehicle owner.

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5 NEW SECTION. **Section 4. Codification instruction.** [Sections 1 through 3] are intended to be  
6 codified as an integral part of Title 61, chapter 6, and the provisions of Title 61, chapter 6, apply to [sections 1  
7 through 3].

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